

# **PREVIOUSLY ASKED RFP QUESTIONS AND ANSWERS**

## **ELIGIBILITY AND QUALIFICATIONS FOR PERFORMING FILE AUDITS**

**It is indicated that individuals must have an office in Michigan. Is this also true of corporations? Even if that corporation is already under contract with MSHDA for other services?**

All corporations, even those currently under contract with MSHDA for services, are required to have an office located in the state of Michigan. Forming a Michigan Corporation is not required, however Corporations must be licensed to do business in the State of Michigan.

**Does property management experience in the state of Michigan count toward experience in file audits?**

Property management experience in general would not count toward experience for purposes of this RFP. However, specific experience performing file audits on state or federally funded and/or assisted developments, as a management agent would be considered.

## **SCOPE OF WORK FOR PERFORMING FILE AUDITS**

### **Scheduling File Audits**

**How much notification time will the contractor get for scheduling the properties and are the target review dates for the portfolio evenly distributed throughout the year?**

The complete list of developments to be audited in 2007 will be provided upon execution of the contract. Thereafter, the complete list of developments to be audited for the entire year will be provided 30 days prior to the beginning of each contract year.

Corrections, additions and deletions to the development list will be provided throughout the year as changes in the portfolio occur (i.e. new developments are added and/or developments that have completed their compliance requirements are removed). Each audit due date is based on the prior audit date, therefore due dates are not necessarily evenly distributed.

**Does the contractor have some flexibility in scheduling file audits?**

The deadlines (due dates) for each development must be met, however, there is some flexibility available when scheduling tax credit only developments. When it comes to scheduling audits for Section 8 and Section 236 developments, HUD program requirements allow very little flexibility. If scheduling conflicts arise in meeting the deadlines, the contractor must bring the issue to the attention of the Compliance Manager. Due dates for file audits are based upon the previous audit date for the development and the required frequency, which is based on the requirements of the development's funding sources and/or program assistance.

## **What if the owner is unwilling to cooperate with the requested audit dates?**

Most Management Agents/Owners are cooperative with audit dates. However, if issues arise, the Compliance staff or Compliance Manager will address specific issues with Management Agents/Owners on a case-by-case basis.

## **Timeframe specified by the Authority for performing audits - is there a master list or how will this be handled?**

MSHDA Compliance Monitoring will provide a list of the developments and their file audit due dates to selected contractors each contract year.

## **Performing File Audits**

### **The term "Authority-financed" is somewhat confusing. Does Authority-financed mean bond-financed, Section 236, and Section 8, and not LIHTC?**

The term "Authority-financed" means a multi-family development financed by an Authority mortgage loan. "Authority-financed" developments include: Section 8, Section 236, 80/20, 70/30, Taxable Bond, Neighborhood Preservation (NPP), TEAM, HOME, HOME TEAM and Neighborhood Preservation (NPP). A property with Low Income Housing Tax Credits (LIHTC) would be "Authority-financed" if funded with bonds. "LIHTC only" developments are "assisted" through the tax credit program, which is a program administered by the Authority.

The term Program means an Authority sponsored or administered program including but not limited to Section 8, Section 236, 80/20, 70/30, Taxable Bond, Low Income Housing Tax Credit (LIHTC), Neighborhood Preservation (NPP), TEAM, HOME and HOME TEAM, Pass-Through.

### **"Developments with multiple sources of funding will default to the most restrictive program requirements." Does this mean that if a Tax Credit property is combined with another program, the contractor will audit 20% of the files in each building every 36 months and 20% of the files in each building every 18 months? If not, how will the contractor know which audit is a Tax Credit audit and which is not?**

Development specific information and requirements are available to the contractor in the form of "Fact Sheets", which are obtained through the Authority's on-line database.

File audits for developments with multiple funding sources will include an audit of all the development's programs **during the same audit**. File audits for these developments are complicated because in order to determine if the most restrictive program requirement(s) have been met, contractors must utilize their program knowledge for each program and then determine if the most restrictive requirement has been met. If the answer is no, the file is out of compliance. If the file is in compliance with LIHTC regulations, but out of compliance with HUD regulations, the file is out of compliance.

The frequency for each development defaults to the most restrictive requirement. For example, the frequency of a tax credit property is 36 months and the frequency of a Section 8 property is 18 months. The frequency of a Section 8 development with LIHTC would be 18 months, since 18 months is more restrictive than 36 months. It is possible

that more than 20% of the restricted files would need to be audited in order to meet the tax credit "20% per building" requirement.

**What reports is the contractor required to compare to check for consistency of the information?**

RFP Section 4.3 "The consistency of the information provided in the tenant file..." refers to the comparison of information between file documents and between the development's information (i.e. rent roll) vs. MSHDA reports.

**What are the required elements of vacancy improvement plans?**

There are no official required elements for vacancy improvement plans. The requirement is merely that there is a reasonable plan to address the vacancy issue.

**The scope of work for tenant file audits for LIHTC developments does NOT include testing for building and project noncompliance. Do we, as contractors, need to concern ourselves with: minimum set-aside, qualified basis, next available unit rule, etc.**

Testing for building and project noncompliance in regards to the minimum set-aside, qualified basis, next available unit rule, etc are conducted by MSHDA.

**The contractor is asked to review "move-in income" and "current income." It also lists "Recertifications." Are these "Recertifications" different from "current income?"**

The current income of the tenant is only one component of the recertification process. The review of the "recertifications for each household" includes all of the components of the process and the rules may vary depending on the program.

**Does the review of recertifications pertain to the move-in and most current certification only, or must every annual and interim recertification be audited?**

The move-in and the most recent certification are required to be reviewed. In addition, prior year recertifications must be checked for divestiture of assets. Prior year recertifications should also be checked and if problems are identified, a more thorough review of each year would be needed.

**"If the percentage of vacancy is 10% or higher, the contractor must obtain an explanation and improvement plan for addressing the vacancy issue". Would our fees be dependent on our success when this issue is not be under our direct control?**

Contractor fees are not dependent or related in any way to the number of vacancies or the vacancy improvement plans at any development.

**The contractor(s) is responsible for obtaining a copy of the incorrect and corrected 50059 - what timeframe is there for providing this information?**

HUD currently does not specify the timeframe for providing this information. However, it is important that payment corrections are made as soon as possible and within a

reasonable timeframe. All 50059 documentation must be submitted to MSHDA along with the contractor closeout letter and the "File Audit Summary Report".

**How does the Authority anticipate providing historical tenant file review results to the contractor? Will MSHDA be able to provide the contractor with this information electronically so it can be uploaded?**

Once the contractor(s) has been selected, they will receive detailed information about the developments. Electronic file audit reports will be made available. However, MSHDA cannot ensure that the format provided will have upload capability to a potential Contractor's system.

**Shouldn't the owner be required to conduct a 100% file audit when there are large numbers of files with deficiencies? If so, what is the contractor's responsibility? Since the contractor will only be paid for files audited, will MSHDA follow-up on the files that were not audited?**

If there are a large number of deficiencies, MSHDA staff may conduct a 100% file audit, or may require the management agent/owner to conduct 100% file audit. MSHDA Compliance Monitoring staff addresses corrective action issues on a case-by-case basis as they become aware of the issues.

**When the contractor is required to review a higher percentage of records how does the contractor get paid for this and at what rate?**

If MSHDA requires an additional number of files to be audited, a written request will be given to the contractor and typically a full audit would be performed on the additional files at the contractor's approved rate. In the event that less than a full audit is required (i.e. a minimal amount of information needs to be checked on some additional files), the Compliance Manager and the contractor will negotiate a reasonable reduced rate that is fair to both MSHDA and the contractor.

**The sizes of file samples to be audited are set out, but not the manner of selection – whether by the inspector, owner/agent or MSHDA. Can you clarify?**

The specific files to be audited will be randomly selected by the contractor, by MSHDA staff or a combination thereof. For LIHTC developments the files to be audited will be the same units as inspected. Specific files to be audited should never be determined by the owner/agent.

**The contractor is required to correspond with the "Management Agent/Owner." Will MSHDA be providing Owner contact information?**

Yes, MSHDA will provide Owner contact information via the development "Fact Sheet", which is available to the contractor through MSHDA's on-line database.

**Is it required that the contractor visit the property and/or management agent's office to review the resident files or can the owners/agents send the files to the contractor's office for review if the cost is bourn by the contractor?**

MSHDA requires that tenant file audits be conducted on the original documents either at the development site, management agents' office, or other location where the tenant files are stored. If files are not available on-site, the location of the files will be provided in the development "Fact Sheet" available to the contractor through MSHDA's on-line database.

**Please provide more information on "results of each tenant file audit shall be in an electronic format accessible to the Authority". What level of detail of tenant file data must be stored (i.e., tenant file checklists detail vs. overall results)? What is MSHDA's definition of "compatible product"? For example, if management agents responses are tracked by the contractor's own software, but can be extracted to an Excel and/or Word file format, is that acceptable?**

MSHDA's web interface is currently being implemented and summary data will soon be entered directly into MSHDA's database. In the meantime, the contractor(s) is required to use the "Audit Summary Report" which is available in Word format and is included in the Attachments Section of the RFP.

MSHDA does have a file audit checklist, which the auditor must complete for file each audited and a format for the Audit Report. These documents/formats will be provided to selected contractors. (Please see section 7.2 of the RFP for compatible software.)

### **Forms and Reporting**

**"The audit letter and report must be in a predetermined format acceptable to the Authority", does this form currently exist or can the contractor propose such format? If it exists, can we obtain a copy?**

MSHDA does have a format for the Audit Report. This format will be provided to selected contractors.

**What is the correction time period for the owner to complete the response to the file audit?**

Audits letters and reports are due to Management Agents/Owners in 30 calendar days and responses from Management Agents/Owners are typically 30 days, but cannot exceed 90 days.

**The last sentence of Section 4.9 #2 could be interpreted to mean that the contractor must give the agent/owner a second chance to correct outstanding items before MSHDA resolves the issues. Is it true that, if all items are not corrected in the agent/owner's first response, those items will be resolved by MSHDA?**

Upon receipt of the Contractor's notice to the Management Agent/Owner that outstanding items still exist, MSHDA will begin taking enforcement action.

### **Training & Workshops**

**MSHDA requires training annually on HUD Handbook 4350.3 for the file audits ... does this mean that a person performing file reviews has to attend a HUD occupancy training**

**course annually and receive an annual certification? If not, what qualifies as annual training by HUD.**

In the past, MSHDA has required documentation of annual HUD 4350.3 Handbook training, since HUD rules and regulations change frequently and it is critically essential that contractors obtain this updated information. If the contractor(s) selected are able to prove to MSHDA that Annual training is not necessary, MSHDA is open to discuss this requirement with the selected contractor(s).

**How often will the contractor be required to attend MSHDA workshops for training and periodic meetings for familiarity with state policies, and to review work progress and file audits results?**

The schedule and quantity of MSHDA workshops for the training of selected contractors and the frequency of meetings has not yet been determined. This will largely depend upon the specific needs of the Contractor(s) and their familiarity and experience with MSHDA policies and procedures.

### **Invoicing for Services**

**What are your procedures to submit invoices for completed file audits and/or investigations? When are payments for services rendered released (daily, weekly, monthly, semi-monthly, quarterly)?**

Invoices are submitted no more frequently than monthly and must include a hard copy of the audit reports being billed. Payments are processed and released within 30 days of invoice receipt.

### **ELIGIBILITY AND QUALIFICATIONS FOR PERFORMING PHYSICAL INSPECTIONS**

**It is indicated that individuals must have an office in Michigan. Is this also true of corporations? Even if that corporation is already under contract to MSHDA for other services?**

All corporations, even those currently under contract with MSHDA for services, are required to have an office located in the state of Michigan. Forming a Michigan Corporation is not required, however Corporations must be licensed to do business in the State of Michigan.

**Does property management experience in the state of Michigan count toward experience in UPCS inspections?**

Property Management experience in general would not count toward experience for purposes of this RFP. However, specific experience performing physical inspections on state or federally funded and/or assisted developments as a management agent would be considered.

### **SCOPE OF WORK FOR PERFORMING PHYSICAL INSPECTIONS**

#### **Scheduling Physical Inspections**

## **Does the contractor have some flexibility in scheduling physical inspections?**

The deadlines (due dates) for each development must be met, however, there is some flexibility available when scheduling tax credit only developments. When it comes to scheduling inspections for Section 8 and Section 236 developments, HUD program requirements allow very little flexibility. If scheduling conflicts arise in meeting the deadlines, the contractor must bring the issue to the attention of the Compliance Manager. Due dates for physical inspections are based upon the previous inspection date for the development and the required frequency, which is based on the requirements of the development's funding sources and/or program assistance.

## **What if the owner is unwilling to cooperate with the requested inspection dates?**

Most Management Agents/Owners are cooperative with inspection dates. The MSHDA Compliance Manager will address specific issues with Management Agents/Owners on a case-by-case basis as issues arise.

## **Performing Physical Inspections**

### **The term "Authority-financed" is somewhat confusing. Does Authority-financed mean bond-financed, Section 236, and Section 8, and not LIHTC?**

The term "Authority-financed" means a multi-family development financed by an Authority mortgage loan. "Authority-financed" developments include: Section 8, Section 236, 80/20, 70/30, Taxable Bond, Neighborhood Preservation (NPP), TEAM, HOME, HOME TEAM and Neighborhood Preservation (NPP). A property with Low Income Housing Tax Credits (LIHTC) would be "Authority-financed" if funded with bonds. "LIHTC only" developments are "assisted" through the tax credit program, which is a program administered by the Authority.

The term Program means an Authority sponsored or administered program including but not limited to Section 8, Section 236, 80/20, 70/30, Taxable Bond, Low Income Housing Tax Credit (LIHTC), Neighborhood Preservation (NPP), TEAM, HOME and HOME TEAM, Pass-Through.

### **"Developments with multiple sources of funding will default to the most restrictive program requirements." Does this mean that if a Tax Credit property is combined with another program, the contractor will inspect 20% of the units in each building every 36 months and 20% of the units in each building every 12 months? If not, how will the contractor know which inspection is a Tax Credit inspection and which is not?**

Development specific information and requirements are available to the contractor in the form of "Fact Sheets", which are obtained through the Authority's on-line database.

Physical inspections for developments with multiple funding sources must meet the requirements of all the development's programs **during the same inspection**. The frequency for each development defaults to the most restrictive requirement. For example, the frequency of a tax credit property is 36 months and the frequency of a Section 8 property is 12 months. The frequency of a Section 8 development with LIHTC would be 12 months, since 12 months is more restrictive than 36 months. It is possible

that more than 20% of the units would need to be inspected in order to meet the tax credit "20% per building" requirement.

The most restrictive physical inspection standard must be used for developments with multiple funding sources. The physical inspection standard for a Section 8 property is UPCS Plus and the inspection standard for a LIHTC property is UPCS. The inspection standard for a Section 8 development with LIHTC is UPCS Plus, since that standard is the most restrictive.

**What are the "additional MSHDA requirements" to the UPCS or what is UPCS Plus?**

MSHDA has always had a physical inspection standard that is a higher standard than the UPCS requirements. The new "UPCS Plus" standard is based on the UPCS standards with additional MSHDA requirements included. The "UPCS Plus" manual is posted on the MSHDA Compliance Monitoring website at [www.michigan.gov/mshda](http://www.michigan.gov/mshda), (click on "Property Managers" "Compliance for Rental Housing", "Manuals", "UPCS Plus Physical Inspection Manual"). MSHDA plans to provide training for selected contractors on the additional MSHDA requirements of "UPCS Plus", and this training is tentatively scheduled for December 2006.

**How does the Authority anticipate providing historical data to the contractor (including past physical reviews, copies of CNAs, etc.)? Will MSHDA be able to provide the contractor with this information electronically so it can be uploaded?**

Once the contractor(s) has been selected, they will receive detailed information about the properties. CNA reports will be mailed, physical inspection reports will be available via the MHI system. However, MSHDA cannot ensure that the format provided will have upload capability to a potential Contractor's system.

**When the contractor is required to review a higher percentage of records how does the contractor get paid for this and at what rate?**

If MSHDA requires an additional number of units to be inspected, a written request will be given to the contractor and typically a full inspection would be performed on the additional units at the contractor's approved rate. In the event that less than a full inspection is required (i.e. a minimal amount of items need to be inspected on the additional units), the Compliance Manager and the contractor will negotiate a reasonable reduced rate that is fair to both MSHDA and the contractor.

**The sizes of unit samples to be inspected are set out, but not the manner of selection – whether by the inspector, owner/agent or MSHDA. Can you clarify?**

The specific units to be inspected will be randomly selected by the contractor, by MSHDA staff or a combination thereof. Specific units to be inspected should never be determined by the owner/agent.

**The contractor is required to correspond with the "Management Agent/Owner." Will MSHDA be providing Owner contact information?**

Yes, MSHDA will provide Owner contact information.

**It is indicated that the inspector ‘shall inspect any particular unit’ identified by MSHDA staff. Would these be included within, or outside, the samples stipulated?**

Most often when MSHDA staff request inspection of particular units, it is within the required sample size. However, occasionally MSHDA staff has requested that the sample size be increased to include inspection of additional units.

**What is the correction time period for the owner to complete the response to the physical inspection?**

Physical Inspection Reports are due to Management Agents/Owners in 30 calendar days and responses from Management Agents/Owners are due in 30 calendar days.

### **Forms & Reporting**

**Is the physical inspection form predetermined? If so, can we obtain a copy?**

The physical inspection form is produced by MSHDA software (the MHI System), see section 7.3 of the RFP

**MSHDA anticipates the electronic upload of inspections: Have all inspections to date been automated, or have they been “paper”?**

MSHDA physical inspections have been electronically uploaded through the MHI system for the past 11 years and will continue to be automated through this system.

**It is indicated that the contractor is expected to review inspection findings with the development’s management agent representatives. On UPCS inspections for HUD, it is required that inspectors call out deficiency observations as they are seen. Would this be responsive, or does MSHDA contemplate another form of interaction?**

It is expected for all physical inspections that a management agent/owner representative would be present to accompany the Contractor during the inspection. Deficiencies should be called out as observed. At the end of the physical inspection, the inspector will review the results of the inspection with the management agent/owner representative.

**MSHDA calls for contractor review of owner/agent responses to inspection reports. Can MSHDA elaborate on these – how extensive, what reliance on Quality Assurance representations?**

When the management agent/owner certifies how and when physical inspection items were resolved, the contractor is responsible to review the Certification documents and ensure that all items are certified as corrected. If an item is not certified as corrected or the correction doesn’t meet the requirements the item is considered to be an outstanding items. The contractor will notify the management agent/owner of outstanding items in a letter. If no response is received or an unacceptable response is received, the contractor will then notify the management agent/owner that outstanding issues have been referred to MSHDA for corrective action. The management agent/owner will be

held accountable in the event that MSHDA determines in a quality assurance review that items the management agent/owner certified as completed were in fact, not completed.

**The last sentence of Section 6.14 #2 could be interpreted to mean that the contractor must give the agent/owner a second chance to correct outstanding items before MSHDA resolves the issues. Is it true that, if all items are not corrected in the agent/owner's first response, those items will be resolved by MSHDA?**

Upon receipt of the Contractor's notice to the Management Agent/Owner that outstanding items still exist, MSHDA will begin taking enforcement action.

**In Section 6.12, MSHDA calls for hard copy reports going to management agents/owners and MSHDA within twenty business days of inspection. How does this differ from the upload process? Does MSHDA have an automated function that organizes and summarizes observations, or is this to be done manually?**

The contractor prints the Physical Inspection Reports and sends a hard copy to the management agent/owner and electronically uploads the report to MSHDA no later than twenty business days (30 calendar days) after the date of the inspection. A hard copy of the report and cover letter are sent to MSHDA along with the contractor's invoice for payment of the services.

### **Local Code Violations**

**Will MSHDA provide a copy of the code violations? Would the contractor be expected to request the owner/agent to submit a copy? If not, what is MSHDA's expectation as to how the contractor will know what violations exist? If the contractor is required to verify this information what matter of verification will be required?**

Management Agents/Owners of LIHTC properties have always been required to submit code violations received to MSHDA along with the Annual Certification. Verification of the existence of any code violations and the physical inspectors' opinion of the condition of the item(s) in question is important information MSHDA needs to know. If MSHDA has received copies of the local code violations, MSHDA will send copies to the contractor.

**"Review local health, safety, or building code violation reports": Should the inspection contractor request these in the inspection confirmation letter? Can we 'take the word' of property representatives in this regard (not have to make several calls to local agencies)?**

Scheduling letters must provide written notification to the management agents/owners that this information should be available to the inspector when the physical inspection is performed. If this information is not kept on-site, the management agent/owner will be required to send it to the inspector prior to the inspection date. (No calls to local agencies are required.)

**In Section 6.10 it is mentioned that building code violations must be documented in the Physical Inspection Report. Where in the report will this be entered?**

The ability to add a field to the MHI inspection reports to collect this information is currently being explored. Until this field becomes available, the information would be reported as a narrative comment in the summary section on Page 1 of the report.

### **Training & Workshops**

**Must the inspectors be REAC certified or just have attended training regarding UPCS so as to complete the reviews to the same standard? Can a contractor sign up for UPCS and UPCS-Plus training after contract is awarded?**

All individuals who will perform physical inspections under the MSHDA contract must have certification of UPCS training. In addition, all inspectors must also be trained to perform MSHDA's "UPCS Plus" inspections.

UPCS Training: For Contractors selected to perform physical inspections for 2007, UPCS training is required prior to January 1, 2007. This training will not be provided by MSHDA. (Note: It is desirable, but not required that potential Contractors have UPCS training prior to responding to the RFP).

UPCS-Plus Training: MSHDA will provide UPCS-Plus training for Contractors selected to perform physical inspections for 2007. This training is tentatively scheduled for December 2006 and typically covers the following topics: "UPCS Plus" inspection standards, MHI software, inspection processes and procedures, CNA reviews, etc. This is a mandatory training only available for entities selected to perform physical inspections in 2007. UPCS training (or previous training and experience in MSHDA standards) is a pre-requisite to the MSHDA UPCS-Plus training.

**How often is contractor required to meet with MSHDA for workshops and periodic meetings for familiarity with state policies, and to review work progress and inspection results?**

The schedule and quantity of MSHDA workshops for the training of selected contractors and the frequency of meetings has not yet been determined. This will largely depend upon the specific needs of the Contractor(s) selected and their familiarity and experience with MSHDA policies and procedures.

### **Invoices For Services**

**What are your procedures to submit invoices for completed physical inspections? When payments for services rendered are released (daily, weekly, monthly, semi-monthly, quarterly)?**

Invoices are submitted no more frequently than monthly and must include a hard copy of the inspection reports being billed. Payments are processed and released within 30 days of invoice receipt

## **Reinspections**

### **When would a re-inspection be required by MSHDA and for what type of property?**

Reinspection of developments will be required when MSHDA identifies that a problem or a history of major deficiencies exist, for any type of funding. Reinspections may be identified and requested at the beginning of the Contract period or could become needed as a result of unacceptable physical inspection results. Reinspections will only be performed when authorized by MSHDA.

### **If a reinspection is mandated by MSHDA, would the contractor be paid the same fee per unit?**

The Contractor will be paid based on a per unit cost identified in the Proposed Fee Schedules. If a higher cost per unit will be charged for a reinspection, the additional cost must be documented in the Summary of Additional Proposed Fees. The estimated number of reinspections was not provided in the RFP; therefore, calculating the "Amount" is not expected.

### **How often, based on history, could re-inspections be requested?**

Historically, reinspections were done on every MSHDA core portfolio development, every year (approximately 400 developments). However, not all of the core properties require a reinspection every year. Therefore, beginning January 2005, MSHDA's policy on reinspections changed. Reinspections will only be performed for developments on an as-needed basis, and the request for reinspection will be authorized in writing by MSHDA. Selected Contractors will receive a list of developments that need reinspections.

### **In the event the Authority requests a re-inspection, will the next annual review be scheduled one year from the date of the original inspection or re-inspection?**

The re-inspections will not change the inspection schedule.

## **CNA**

### **What does the CNA review consist of? Do you need to inspect all items? Does MSHDA have a checklist? How is the review reported?**

When a CNA review is performed on a development, the inspector reports the results and observations in the MHI system in the Annual Physical Inspection Report. Training on CNA reviews will be provided to physical inspection contractors by MSHDA and is tentatively scheduled for December 2006.

### **Will MSHDA provide copies of all CNAs?**

Yes, MSHDA will provide a copy of the CNA report to the Contractor assigned to that particular development.

**If the CNA work that was supposed to be done was not done, does it require a finding and how much time does the owner/agent have to correct them?**

If the CNA work that was supposed to be done was not done, the Contractor is responsible to report that finding, as well as their opinion of the urgency for the particular work to be completed. In other words, since the CNA is a guideline of work to be completed and the timelines provided in the CNA are projected for the future, it is possible that the need for the work may be required either later or earlier than the date originally projected.

**How is the contractor paid for CNA reviews? There will presumably be units and common areas and major capital items that are covered in the CNA that are not covered in the units in the work order (basis for fees).**

The Contractor will be paid based on a per unit cost identified in the Proposed Fee Schedules. If a higher cost per unit will be charged for physical inspections with CNA reviews, the additional cost must be documented in the Summary of Additional Proposed Fees. The estimated number of CNA reviews was not provided in the RFP; therefore, calculating the "Amount" is not expected.

## **TECHNICAL SPECIFICATIONS**

**If digital pictures are to be submitted with the filed inspection reports, what are the technical specifications for digital pictures (640 x 480 resolution, date and time stamps, embedded annotations)?**

Digital pictures are not a requirement of the RFP. However, good quality digital photo capability with date stamps would be desirable.

**Is MSHDA open to communicating through an equivalent alternative to Access and Word?**

MSHDA will require electronic communication through Microsoft or a compatible program as stated in the RFP.

**How will the contractor have access to MHI? If this a web-based application, will the contractor be required to enter (type in) data related to each inspection? What results must be entered?**

The MHI inspection module is given to the inspectors to load on their personal computer. The contractor enters all findings on a development directly into the MHI software. The inspection findings are then uploaded to MSHDA's database via e-mail.

**Please provide additional information on how we would upload physical inspections results. How do these results differ from those that must be entered into MHI? A file specification would be ideal.**

File specifications will not be required because the uploading of data into the MHI system works via a standard e-mail account, which is electronically connected, to the MHI software. In the event of technical difficulties with the data upload process, hard copies of the reports may also need to be temporarily provided to MSHDA, prior to the billing process.

## **GUIDANCE FOR SUBMITTING PROPOSALS**

**Are contracts awarded for a subset of Michigan counties, or will the contracts be awarded only for the entire statewide portfolio? For example, can we bid for file audits and/or inspections for units located only in 23 specific counties?**

MSHDA has made no pre-determination of the configuration areas for Contract awards. Subsets of counties or the entire statewide portfolio are both possible configurations. Section 1.1 of the RFP states that "Proposals may be submitted for performing tenant file audits and/or physical inspection for one type of property (e.g., Section 8 or Section 236), or for a combination of types, and/or for a specific area of the state". Therefore, it is acceptable for potential contractors to submit a bid for file audits and/or inspections for units for 23 specific counties.

**Will each proposal be taken as a whole or will MSHDA divide a proposal? MSHDA has made no pre-determination of the configuration areas for Contract awards. All eligible proposals will be reviewed and scored by Authority staff and the selection of contractor(s) will be based on the consideration of all relevant factors of the proposals received.**

MSHDA will accept and consider multiple Proposed Fee Schedules from bidders for alternates pricing for different configurations of the work. If multiple Schedules are submitted, the Schedules must include the proposed cost for years 2007 through 2011.

**What will MSHDA do if there are some portions of the scope of work that receive no bids?**

The Contracts awarded for 2007 must cover the scope of work for the entire state of Michigan. In the event that a geographic area is not included in the bids, MSHDA would need to negotiate with the highest scoring potential Contractors to cover the missing area.

**Can we submit multiple bids for different types of work such as Section 42 File Audits only, Physical Inspections for Home Units only, and a combination of both?**

MSHDA will accept and consider multiple Proposed Fee Schedules from bidders, if those bids include all program/funding types in a specified geographic region or for a particular task (audits, inspections or both audits and inspections). If multiple bids (options) are included, the options must be clearly identified in the proposal and Fee Schedules must be submitted for all years in the contract term (2007-2011).

**The RFP calls for a list of agencies for which respondent has done similar work, with contact information, and also references. How do these differ?**

The difference between the two points under RFP Section 8.3 bullet point #2 requests reference information regarding similar work with state or local agencies. Bullet point #3 requests reference information regarding similar with other entities that are not state or local agencies.

**MSHDA asks for Certificate of Good Standing and Certificate to do Business in Michigan. We have previously done considerable work with MSHDA without these certificates. Are they required of us now?**

MSHDA legal staff will review and consider this exception request in light of past working experience with the Authority.

**We assume from the wording of the RFP that a different file and/or physical fee can be proposed for each county. Is this correct?**

It is anticipated that proposed file audit fees per unit will be consistent for the portfolio throughout the state and will not be dependent on the county. Likewise, it is anticipated that proposed physical inspection fees per unit will be consistent for the portfolio and will not be dependent on the county. However it is acceptable to bid on a specific geographic region or regions.

**The Proposal Certification refers to professional liability insurance. Such insurance is reasonably required, and readily available on commercial terms, for design and engineering services. It is not likely to be available, certainly not on feasible terms, for basic inspection services. HUD and many other agencies require general liability insurance for efforts like those contemplated here. Would MSHDA consider general liability insurance instead of professional liability insurance here?**

MSHDA legal staff will review and consider this request.

**What is the maximum term under the contract?**

The maximum contract term is five years; 3 years and the Authority may choose to extend the Contract with two (2) one-year options.

## **PROPOSAL EVALUATION AND SELECTION**

**Do we know how much start up time the contractor is being given from the point the contract is awarded until full implementation is expected? (A Contractor would need time to hire and train staff etc.)**

Contractors selected will be notified in November of MSHDA's intent to contract for services, pending Board approval. Upon Board approval, Contracts will be executed and a training workshop will be held during the month of December. Contractors selected must have the ability and capacity to begin work January 2007. It is expected that Physical Inspections and File Audits due in the month of January would be

performed. Scheduling of this work would need to occur in December and MSHDA staff will assist with this effort if necessary.

**The procurement's evaluation criteria are set out but they do not the relative weights of these criteria – scoring values. Will MSHDA disclose these?**

The MSHDA evaluation committee has not yet finalized the relative weights for each of the evaluation criteria.